

010

CF Await minute from Lord Gowrie

I do not think it will be possible to distinguish in practice
it would be difficult to draft for 'limited efficiency' not

Prime Minister (1)

Await comments from Lord Gowrie before responding?

DWS
27/11

PRIME MINISTER
TERMS OF RETIREMENT OF CIVIL SERVANTS

I have recently been involved in a case in my own Department where it was suggested that a member of the Senior Open Structure should be encouraged to leave the Service voluntarily under flexible premature retirement terms. The terms are generous: in this case the gross payment in terms of lump sum, annual compensation payment and enhanced pension could have been in excess of £100,000.

However, the point that really concerned me was to discover that precisely the same terms are available to people who have to leave through no fault of their own and people who need to be got rid of because of their limited efficiency. It seems to be quite wrong that the rules should have been drawn up in such a way as to produce that result. There may be a case for generous terms when people have to leave the service because they have been adversely affected by structural changes or because their departure would free a promotion blockage. I can also understand why people forced to retire on medical grounds should be treated well. But it seems to me quite wrong that someone who departs on grounds of limited efficiency and because the Service will be better off without them, should be able to obtain the same terms.

I know that others have been uneasy about this and I am glad to hear that the Cabinet Office (MPO) are, together with the Treasury, reviewing the voluntary retirement terms to build in more flexibility and use the available funds more effectively. In the case I referred to I am

/sure that, if my ...



sure that, if my Permanent Secretary had been able to offer the officer concerned terms which were somewhere between those which currently apply to voluntary retirement and the generous terms of the flexible premature retirement scheme, it would still have been possible to achieve early retirement.

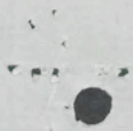
I am sending a copy of this minute to Grey Gowrie.

A handwritten signature in blue ink, appearing to be 'MJ' with a large flourish.

MICHAEL JOPLING



27 JAN 1984





CC 152

MINISTER OF STATE, PRIVY COUNCIL OFFICE

Prime Minister ⁽²⁾: To note.

MS

Your view was that it might be difficult to define "limited efficiency". But inefficiency is clearly a different matter.
with DB/PM?

PRIME MINISTER

TERMS OF RETIREMENT OF CIVIL SERVANTS

I have seen a copy of Michael Jopling's minute to you about this, in the light of a recent case in his department.

DMS
1/6

Our present rules do indeed offer the same retirement terms to those whose efficiency is limited as to those awarded to the entirely blameless. I am looking at the whole question of early retirement and this will be one aspect under review. But I would add that quite different and much less generous terms apply to cases of 'inefficiency', as distinct from 'limited efficiency'. And we are constrained in dealing with the less drastic shortcomings of 'limited efficiency' cases by the requirement to convince an Industrial Tribunal that our treatment had been fair and reasonable.

On the specific case in Michael's department, I understand my officials were doubtful that premature retirement on public interest terms was justified, but that action is now in hand which may lead to compulsory retirement on inefficiency grounds or other appropriate management sanctions.

eg.

LORD GOWRIE

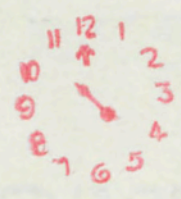
1 February 1984

Civil Service: Eddy Robert Pt 5



MINISTRY OF STATE PRY & CONSTRUCTION

1 FEB 1984



COMMUNICATIONS



cc: P. Cann, Lord Gowrie's Office

10 DOWNING STREET

From the Private Secretary

3 February, 1984

TERMS OF RETIREMENT OF CIVIL SERVANTS

The Prime Minister was grateful for your Minister's recent minute about the terms of retirement of civil servants, with particular reference to a case in his Department. Although the Prime Minister has considerable sympathy with the points which your Minister makes, she doubts whether it would be possible in practice to distinguish between those who have to leave through no fault of their own and those who should leave because of limited efficiency. She has, however, noted that different terms do apply in the case of retirement on inefficiency grounds. (Lord Gowrie's minute of 1 February refers).

(David Barclay)

I. Llewelyn, Esq.,
Ministry of Agriculture, Fisheries
and Food